



GOCHNOUR & ASSOCIATES, INC.

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July 1, 2004

Mr. Paul Baker  
State of Utah  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Mr. Rich McClure  
Project Manager  
Bureau of Land Management  
82 East Dogwood  
Moab, Utah 84532

**RE: Lisbon Valley Mining Co. LLC (Summo USA Corporation - Operator)  
Request to Perform Exploration Drilling - July 2004  
NW Centennial Pit Area of the Lisbon Valley Project**

Gentlemen:

Per recent phone conversations, Lisbon Valley Mining Co., LLC (Summo USA Corporation - Manager) hereby requests approval from the Division of Oil, Gas & Mining (DOGM) and Bureau of Land Management (BLM) to access and drill up to twenty-five (25) exploration/development holes at the Lisbon Valley Project. The purpose of these holes is to investigate additional resource potential to the NW of the currently permitted Centennial Pit at Lisbon Valley. The proposed activities are located within Sections 25 (BLM) and 26 (Private Land), Township 30 South, Range 25 East.

A breakdown of proposed exploration/use/activities, by surface ownership, for the 25 sites/holes and affiliated access is as follows:

Bureau of Land Management Controlled Lands

- Number of Drill Sites = 17
- 3105 Linear Feet of Access

Private Controlled Lands

- Number of Drill Sites = 8
- 925 Linear Feet of Access

Project Totals

- Number of Drill Sites = 25
- Linear feet of access construction = 4030'

**RECEIVED**

**JUL 02 2004**

**DIV. OF OIL, GAS & MINING**

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Mr. Rich McClure  
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A map of proposed access routes and drill sites is provided as **Attachment 1**.

Drilling will be to depths of up to 475 feet, with an average depth of approximately 420 feet. Water in this area of the project is approximately 200 feet below ground surface. Water quality has been characterized as poor (Class III) according to Utah Water Quality Classification Standards.

The equipment that will be utilized to perform this proposed activity includes one minimal impact all-terrain reverse-circulation drill rig and support vehicles (pick-ups and drill rig support vehicles, etc.). A backhoe may be utilized for this request to provide safe access, a level drilling surface, sumps to contain excess drill cutting material, and for reclamation activities.

No cultural resources or sensitive species of vegetation or wildlife are anticipated to be impacted by this request since proposed activities are located within previously inventoried/approved mine related activities and current mine/pit area disturbance.

Following completion of the drilling activities, the areas will be cleaned up. Drill holes that encounter groundwater will be plugged according specifications required by the BLM during the last drilling request (Spring 2004). Drill holes that encounter water will be plugged utilizing a cement from the bottom of the hole to 100 feet above the encountered water table. Following plugging, the sites will be graded, contoured, and seeded (during the proper planting season).

For budgeting/reclamation bonding purposes, groundwater is expected to be encountered in all 25 holes. If encountered, this will require a cement seal (plug) upon abandonment. Summo has projected a maximum total of 8000 linear feet of cement plugging for this proposal. Surface access/disturbance graded/scarified and revegetated. All support equipment and supplies will be removed from the site. An estimate of reclamation costs for bonding purposes is provided in **Attachment 2**. All conditions attached to previous drilling efforts will be complied with.

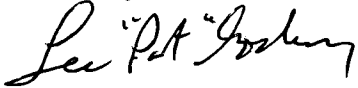
A current reclamation bond of \$136,300 is currently in place for previously approved activities. To date, Summo has performed all surface reclamation associated with all exploration at the site. The only remaining activity at the site warranting bonding is for confirming of revegetation and activities associated with groundwater monitor and supply wells. It is proposed that currently held monies (Certificates of Deposit) be held as financial assurance/guarantee for this proposed activity.

Should you require a site visit for this request, please contact me at your earliest convenience to coordinate schedules with the Project Geologist (Chuck Bauer).

Summo wishes to begin drilling this summer (weather and drill rig availability permitting). Once you have reviewed and approved the proposed plan, I will prepare and submit the necessary Reclamation Contract for submittal to DOGM. If you have any questions regarding this request, please contact me at the listed letterhead number.

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Mr. Rich McClure  
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Sincerely,

A handwritten signature in cursive script that reads "Lee 'Pat' Gochmour". The signature is written in dark ink and is positioned below the word "Sincerely,".

Lee "Pat" Gochmour  
Consultant to Summo USA Corporation

Attachments (2)

cc: Gary Parkison - Summo  
Chuck Bauer - Consultant to Summo

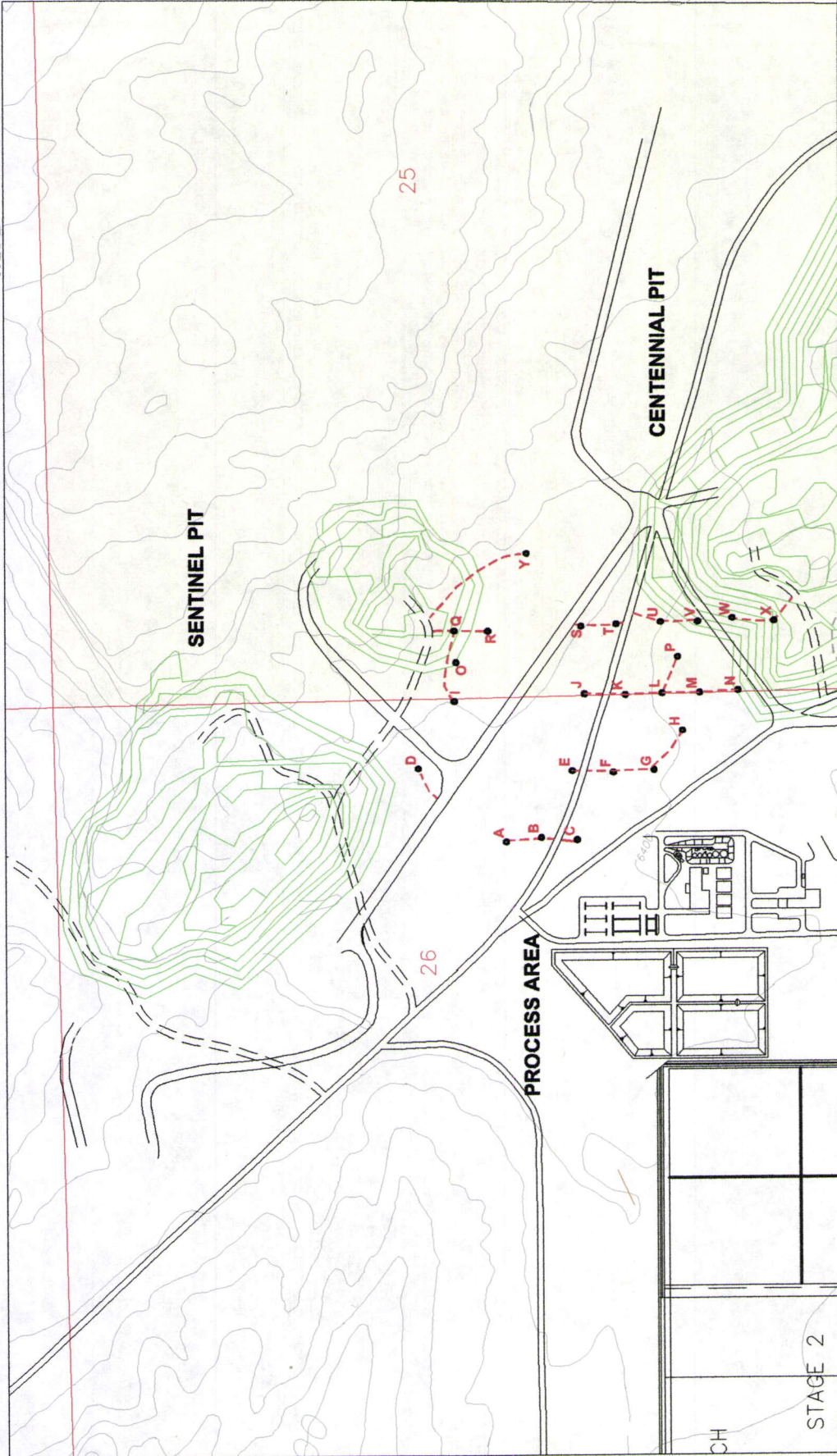
**Attachment 1**  
**Map of Proposed Exploration Plan**

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


R 25 E


T 30 S




**Legend**

 Bureau of Land Management (BLM)

 Proposed Access Roads

 Existing Access Roads

 Drill Holes



GOCHNOUR & ASSOCIATES, INC.

**Lisbon Valley Project**

June 29, 2004

**Centennial Pit NW Exploration**

DRAWN BY: ETC

**Attachment 2**  
**Reclamation Costs Estimates**

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## Reclamation Cost Estimates

Bentonite Plugging - Up to 8000 feet (5" hole) @\$3.00 per foot	= \$24,000.00
Overland Travel/Access Reclamation - 4,030 linear feet @ \$1.00 per linear foot	= \$4,030.00
Drill Site Reclamation - 25 sites @ \$150 per site	= <u>\$3,750.00</u>
<b>Total</b>	<b>= \$31,780.00</b>